

STATE OF CALIFORNIA
California Energy Commission

Minutes of the November 2, 2011, Energy Commission Business Meeting

Present:
Robert B. Weisenmiller, Chair

Karen Douglas, Commissioner
Carla Peterman

1. CONSENT CALENDAR. (Items on the Consent Calendar will be taken up and voted on as a group. A commissioner may request that an item be moved and discussed later in the meeting.)
 - a. MOODY'S ANALYTICS. Possible approval of Purchase Order 11-445.03-008 for \$19,504 to Moody's Analytics for renewal of a one-year subscription for databases and publications containing California economic information used to support energy demand forecasts and other analysis for the Commission's Integrated Energy Policy Report. (ERPA funding.) Contact: Kate Sullivan.
 - b. LIPPMAN CONSULTING. Possible approval of Purchase Order 11-445.03-004 for \$50,000 to Lippman Consulting for subscription renewal for one year from October 1, 2011 to September 30, 2012. This subscription allows Energy Commission staff access to two databases that contain up-to-date information on natural gas production and pipeline gas flows in the United States, Canada and Mexico. This data is used to develop analyses related to the Integrated Energy Policy Report. (ERPA funding.) Contact: Ruben Tavares.

Item 1b was removed from the agenda.

- c. COUNTY OF MARIN. Possible approval of Amendment 1 to Agreement 008-09-ECA with the County of Marin Department of Public Works. The total loan of \$1,398,441 is currently funded using Energy Conservation Assistance Account (ECAA) funds. The amendment would allow funding from ECAA and/or American Recovery and Reinvestment Act of 2009 (ARRA) monies. The amendment does not alter the project cost, loan amount or payback period. Loan funds are being used for energy efficiency measures including HVAC and building envelope upgrades, LED parking lot lights and street lights. These energy efficiency projects are estimated to save the county \$127,131 annually in reduced energy costs, resulting in an 11 year simple payback of the loan. (ECAA and/or ARRA funding.) Contact: Haile Bucaneg.
- d. PALOS VERDES ESTATES. Possible approval of Amendment 1 to Agreement CBG-09-150 with Palos Verdes Estates to revise the scope of work and revise the budget. The amendment adds four new projects including replacement of four heat pump units, replacement of economizer equipment on two HVAC units, upgrades to parking lot lighting using induction technology, and upgrades to lighting controls, and aligns the budget to meet this new project list. The total grant amount is unchanged at \$28,283. The amended project will save the city an estimated 27,707 kilowatt hours and \$3,463 in reduced energy cost annually. (ARRA funding.) Contact: Haile Bucaneg.
- e. CITY OF HOLLISTER. Possible approval of Amendment 1 to Agreement CBG-09-022 with the City of Hollister to extend the end date to June 14, 2012,

revise the scope of work to retrofit streetlights with LED in place of induction; correct an error in the tonnage of the existing HVAC unit; and revise the budget accordingly. The total amount of the grant is unchanged at \$199,674. (ARRA funding.) Contact: Akasha Kaur Khalsa.

- f. CITY OF ARTESIA. Possible approval of Amendment 1 to grant CBG-09-58 to increase the number of HVAC unit replacements from one to twelve, which increase the tonnage from 10 tons to 80.5 tons of HVAC. The amendment also reduces the number of indoor lighting retrofits, reduces the number of retrofit sites from four to two, and extends the term of the contract to June 14, 2012. This will allow the City of Artesia time to purchase and install the HVAC equipment and indoor lighting. The cost share from the city is increased from \$3,572 to \$14,616. The grant amount remains unchanged at \$91,098. (ARRA funding.) Contact: Chris Scott.
- g. NASA AMES RESEARCH CENTER. Possible approval of Amendment 2 to Agreement PIR-08-047 with NASA Ames Research Center for a 12-month no-cost time extension to December 1, 2012. The extension will allow the grant recipient to complete deployment of the demonstration modules for contained algal growth and dewatering in an ocean environment. There is no change to the total amount of the agreement. (PIER natural gas funding.) Contact: David Effross.
- h. STATE CONTROLLER'S OFFICE. Possible approval of Amendment 1 to Contract 200-10-001 with the State Controller's Office to add \$9,725 for fiscal year 2011/2012 for expedited processing of American Recovery and Reinvestment Act (ARRA) payments, thereby enabling the Energy Commission Accounting Office to distribute ARRA funds as quickly as possible. The amendment also extends the term of the contract by two years. (ERPA funding.) Contact: Mark Jones.
- i. DEPARTMENT OF FINANCE. Possible approval of Amendment 1 to Contract 200-11-005 with the Department of Finance to reflect a new contractor hourly rate structure and a change in the scope of work. This amendment will eliminate the review of the Renewable Resource Trust Funds; the scope of work will focus on ERPA for the period July 1, 2009 through June 30, 2011. (ERPA funding.) Contact: Kyle Emigh.
- j. SACRAMENTO MUNICIPAL UTILITY DISTRICT. Possible approval of Amendment 3 to Contract 400-09-023 with Sacramento Municipal Utility District. This request is to consolidate Task 2.0 subtasks and budgets for the overall technical activities and to add an Enhanced Weatherization component to the single family program's Prescriptive and Performance levels under the Home Performance Program. The amendment will not increase the total amount of the award or extend the contract period. (ARRA funding.) Contact: Helen Lam.

- k. LAWRENCE BERKELEY NATIONAL LABORATORY. Possible approval of Amendment 1 to Contract 500-08-019 with the U.S. Department of Energy Lawrence Berkeley National Laboratory for a six-month no-cost time extension to enable the contractor to finalize analysis for inclusion in the final report. The results of this work will assist the Air Resources Board to more accurately identify the sources and quantity of greenhouse gas emissions for mandated emission reduction measures and their effectiveness. (PIER electricity funding.) Contact: Guido Franco.
- l. LAWRENCE BERKELEY NATIONAL LABORATORY. Possible approval of Amendment 1 to Contract 500-08-061 with the U.S. Department of Energy Lawrence Berkeley National Laboratory for a 15-month no-cost time extension to March 29, 2013, and re-scoping of one task to study mechanical ventilation to provide information needed by the Energy Commission's building standards group. (PIER electricity funding.) Contact: Marla Mueller.
- m. BRUCE WILCOX. Possible approval of Amendment 1 to Contract 500-10-014 with Bruce Wilcox to extend the agreement from March 15, 2014 to March 15, 2015. The project will heavily instrument unoccupied homes in or near Stockton and operate them for about two years to determine the energy efficiency of the homes using the Energy Commission's Home Energy Rating System (HERS) software. Data from HERS will be compared with measured data. Selected envelope and heating, ventilating and air conditioning efficiency upgrades will be installed to achieve 50 to 75 percent savings in heating and cooling energy. Contact: David Weightman.
- n. SOUTHERN CALIFORNIA REGIONAL COLLABORATIVE. Possible approval of an amendment to Grant Award ARV-10-045 with the Southern California Regional Collaborative, and to Resolution 11-0504-12, substituting South Coast Air Quality Management District as the Grant Recipient and novating the Agreement from the Southern California Regional Collaborative to the South Coast Air Quality Management District, for a project to install or upgrade about 315 electric vehicle charging stations at various locations throughout Southern California. (ARFVT funding.) Contact: Leslie Baroody.
- o. 2012 BUSINESS MEETING SCHEDULE. Possible approval of the 2012 Business Meeting schedule. Meetings will be held once a month; additional dates may be added if necessary. Contact: Harriet Kallemeyn
- p. ADMINISTRATIVE SUBPOENA. Possible approval of modifications to an existing administrative subpoena directing the California Independent System Operator (CA ISO) to provide data needed to evaluate generation and transmission outages, congestion, must-offer waivers, and load, to assist Energy Commission staff in assessing electric system adequacy. Contact: Caryn Holmes.

Item 1p was removed from the agenda.

Commissioner Douglas moved and Commissioner Peterman seconded approval of the Consent Calendar with the exception of items 1b and 1p. The vote was unanimous. (3-0)

2. ENERGY COMMISSION COMMITTEE APPOINTMENTS. Possible approval of appointments to the Energy Commission's Standing Committees and Siting Case Committees. Contact: Kevin Barker. (5 minutes)

No committee appointments were proposed.

3. BLYTHE ENERGY CENTER PROJECT (99-AFC-8C). Possible approval of a petition by Blythe Energy, LLC to transfer operating control of the Blythe Energy Center Project to its affiliate, NextEra Energy Operating Services, LLC. Contact: Mary Dyas. (5 minutes)

Commissioner Douglas moved and Commissioner Peterman seconded approval of the petition. The vote was unanimous. (3-0)

4. HIGH DESERT POWER PROJECT (97-AFC-1C). Possible approval of a petition to extend the submittal date for completion of the reclaimed water feasibility study for the High Desert Power Project an additional 24 months from the date the applicant received recycled water, plus an additional two months to document the results of the testing. The proposed change will allow the applicant sufficient time to test the response of its facilities to the use of recycled water. Contact: Felicia Miller. (10 minutes)

Commissioner Douglas moved and Commissioner Peterman seconded approval of the petition. The vote was unanimous. (3-0)

5. SMUD COSUMNES POWER PLANT (01-AFC-19). Possible approval of an Amendment Petition for fuel supply modifications and to revise several Conditions of Certification for the Sacramento Municipal Utility District (SMUD) Cosumnes Power Plant. The change would redirect digester gas from the Carson Ice-Gen cogeneration facility to the Cosumnes Power Plant. Refinements to the water filtration system would allow the project owner to maximize generation on high-temperature days while maintaining compliance with the annual water use limit. In addition, the change would refine the allowable levels of total dissolved solids in the cooling tower recirculation water to match the actual performance of the newly installed OnePass water filtration system. Contact: Christine Stora. (10 minutes)

Commissioner Douglas moved and Commissioner Peterman seconded approval of the petition. The vote was unanimous. (3-0)

6. CITY OF BURLINGAME. Possible approval of Agreement 003-11-ECE-ARRA for a loan of \$458,633 to the City of Burlingame to replace 767 high pressure sodium street lights with energy efficient LED street lights. On completion the project will reduce the city's annual energy use by 473,000 kilowatt hours and greenhouse gas emissions by 248,000 pounds of CO₂ equivalent. The corresponding annual energy cost savings is estimated to be \$57,498. The loan has a simple payback period of 7.98 years based on the loan amount. (ECAA and/or ARRA funding.) Contact: Shahid Chaudhry. (5 minutes)

Commissioner Douglas moved and Commissioner Peterman seconded approval of the agreement. The vote was unanimous. (3-0)

7. CITY OF SALINAS. Possible approval of Agreement 006-11-ECE-ARRA for a loan of \$128,534 to the City of Salinas to replace existing inefficient lights with LED and fluorescent lights at the city's Salinas Street Garage and Monterey Street Garage

facilities. On completion, the project will reduce the city's annual energy use by 318,368 kilowatt hours, and reduce greenhouse gas emissions by 165,550 pounds of CO₂ equivalent. The corresponding energy cost savings are estimated at \$44,265. The loan has a simple payback of 2.90 years based on the loan amount. (ECAA and/or ARRA funding.) Contact: Shahid Chaudhry. (5 minutes)

Commissioner Douglas moved and Commissioner Peterman seconded approval of the agreement. The vote was unanimous. (3-0)

8. CITY OF CERES. Possible approval of Agreement 004-11-ECE-ARRA for a loan of \$1,193,500 to the City of Ceres to retrofit high pressure sodium and mercury vapor street lights to LED. The project will save 1,321,960 kilowatt hours of electricity annually and reduce the city's annual electricity bills by \$108,500, with a simple payback of 11 years based on the loan amount. (ECAA and/or ARRA funding.) Contact: Anne Fisher. (5 minutes)

Commissioner Douglas moved and Commissioner Peterman seconded approval of the agreement. The vote was unanimous. (3-0)

9. CITY OF KERMAN. Possible approval of Agreement 005-11-ECE-ARRA for a loan of \$202,000 to the City of Kerman to replace the high pressure sodium lamps and metal halide lamps in approximately 718 streetlights with LED modules. The project is estimated to reduce annual energy consumption by 216,969 kilowatt hours of electricity and save \$26,364 in utility expense annually. Simple payback on the loan amount is 7.7 years. (ECAA and/or ARRA funding.) Contact: Amir Ehyai. (5 minutes)

Commissioner Douglas moved and Commissioner Peterman seconded approval of the agreement. The vote was unanimous. (3-0)

10. SOLARIA CORPORATION. Possible approval of the California Energy Commission consenting to The Solaria Corporation obtaining up to \$30 million in financing from a private investment corporation to fund an expansion at a subsidiary in India. Loan documents between the California Energy Commission and The Solaria Corporation contain language that requires The Solaria Corporation to obtain written permission from the Energy Commission prior to incurring additional debt. SAFE-BIDCO, the Financial Development Corporation responsible for financial review and underwriting of The Solaria Corporation loan, delivered an Action Memorandum to Energy Commission staff confirming the September 22, 2011 action by the SAFE-BIDCO loan committee unanimously approving The Solaria Corporation's additional debt. Contact: Marcia Smith. (5 minutes)

Commissioner Douglas moved and Commissioner Peterman seconded approval for The Solaria Corporation to obtain additional financing. The vote was unanimous. (3-0)

11. RENOVITAS, LLC. Possible approval of an agreement with Renovitas, LLC, in the amount of \$1,492,722 for geothermal exploration and assessment of the Wilbur Hot Springs area, and approval of Phase I work to review existing data and perform geological and geophysical field studies. Contact: Cheryl Closson. (5 minutes)

Commissioner Douglas moved and Commissioner Peterman seconded approval of the agreement. The vote was unanimous. (3-0)

12. ALTERNATIVE FUEL VEHICLE BUY-DOWN INCENTIVE RESERVATIONS. Possible approval of a total of \$4,963,000 in vehicle buy-down incentive reservations (ARFVT funding). Contact: Peter Ward. (5 minutes)
- a. CREATIVE BUS SALES, INC. (OEM – Champion Bus, Inc.), in the amount of \$15,000 for the buy-down of 5 natural gas vehicles of up to 8,500 pounds gross vehicle weight and \$560,000 for the buy-down of 28 natural gas vehicles of 14,001 to 26,000 pounds gross vehicle weight for a total reservation amount of \$575,000.
 - b. ROTOLO CHEVROLET, INC. (OEM – General Motors), in the amount of \$40,000 for the buy-down of 5 natural gas vehicles of 8,501 to 14,000 pounds gross vehicle weight.
 - c. NATIONS BUS SALES, INC. (OEM – Diamond Coach Corp.), in the amount of \$180,000 for the buy-down of 9 natural gas vehicles of 14,001 to 26,000 pounds gross vehicle weight.
 - d. NATIONS BUS SALES, INC. (OEM – Champion Bus), in the amount of \$560,000 for the buy-down of 28 natural gas vehicles of 14,001 to 26,000 pounds gross vehicle weight.

Item 12d was removed from the agenda.

- e. CAPACITY OF TEXAS, INC. (OEM), in the amount of \$1,280,000 for the buy-down of 40 natural gas vehicles of 26,001 pounds gross vehicle weight and greater.
- f. TEC OF CALIFORNIA, INC. (OEM – Mack), in the amount of \$1,280,000 for the buy-down of 40 natural gas vehicles 26,001 pounds gross vehicle weight and greater.
- g. BRIDGEPORT TRUCK MANUFACTURING, INC. (OEM), in the amount of \$320,000 for the buy-down of 10 natural gas vehicles of 26,001 pounds gross vehicle weight and greater.
- h. WEST COAST BUS SALES, INC. (OEM – Tiffany Coach), in the amount of \$80,000 for the buy-down of 10 natural gas vehicles of 8,501 to 14,000 gross vehicle weight and \$300,000 for the buy-down of 15 natural gas vehicles of 14,001 to 26,000 gross vehicle weight for a total reservation amount of \$380,000.
- i. WEST COAST BUS SALES, INC. (OEM – Federal Coach), in the amount of \$80,000 for the buy-down of 10 natural gas vehicles of 8,501 to 14,000 gross vehicle weight and \$300,000 for the buy-down of 15 natural gas vehicles of 14,001 to 26,000 gross vehicle weight for a total reservation amount of \$380,000.
- j. INLAND CHEVROLET (OEM – General Motors), in the amount of \$528,000 for the buy-down of 66 natural gas vehicles of 8,501 to 14,000 gross vehicle weight.

Commissioner Peterman moved and Commissioner Douglas seconded approval of the reservations with the exception of Item 12d. The vote was unanimous. (3-0)

13. TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY. Possible approval of six grants under Contract 500-98-014, totaling \$524,157, from the Public Interest Energy Research, Energy Innovations Small Grants Solicitation number 10-03. These grants were

competitively selected and are capped at \$95,000. The awards include innovative energy research projects in energy storage and renewable technologies, building energy efficiency improvements, grid integration of renewables, and computer modeling of innovative energy technology solutions. (PIER electricity funding.) Contact: David Chambers. (5 minutes)

Commissioner Douglas moved and Commissioner Peterman seconded approval of the grants. The vote was unanimous. (3-0)

14. TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY. Possible approval a grant under Contract 500-98-014, totaling \$95,000, from the Public Interest Energy Research, Energy Innovations Small Grants Solicitation number 10-03G. Grants under this program are competitively selected and are capped at \$95,000. The award is an energy research project on an innovative carbon aerogel material to increase natural gas storage in vehicle systems. (PIER natural gas funding.) Contact: David Chambers. (5 minutes)

Commissioner Douglas moved and Commissioner Peterman seconded approval of the grant. The vote was unanimous. (3-0)

The meeting was then recessed for 15 minutes, reconvening at 11:38.

15. COMPLAINT AGAINST DYOCORE, INC. (11-CAI-03). Possible approval of the DyoCore Complaint Committee's recommendations to the Energy Commission. On October 11, 2011 the Committee conducted a prehearing conference in this matter with Energy Commission staff, DyoCore, and Intervenor Solar Point and Energy Pros in attendance. The Committee and the parties discussed the status of the case, determined areas of agreement, and explored possibilities for resolution of issues. The Committee recommends adoption of stipulations and agreements approved by the parties which would lead to the resolution of this matter. Contact: Raoul Renaud. (15 minutes)

The Commission moved to closed session at 1:10, returning to regular session at 2:22. Commissioner Peterman moved and Commissioner Douglas seconded adoption of the decision read into the record, including changes discussed today. The vote was unanimous. (3-0)

16. EMERGING RENEWABLES PROGRAM GUIDEBOOK. Possible adoption of proposed revisions to the *Emerging Renewables Program Guidebook*, Tenth Edition. The guidebook describes the requirements to receive incentives for installing eligible fuel cell system and small wind generating systems located in specified investor-owned utility territories. Contact: Anthony Ng. (5 minutes)

Commissioner Peterman moved and Commissioner Douglas seconded adoption of the proposed revisions. The vote was unanimous. (3-0)

17. EMERGING RENEWABLES PROGRAM. Possible approval to lift the temporary suspension of the Emerging Renewables Program on November 9, 2011. Contact: Anthony Ng. (5 minutes)

Commissioner Peterman moved and Commissioner Douglas seconded approval of the lifting the temporary suspension. The vote was unanimous. (3-0)

18. **Minutes:** Possible approval of the October 5, 2011, Business Meeting Minutes.

The minutes were held over to the next agenda.

19. Lead Commissioner or Presiding Member Reports.

Commissioner Peterman reported on recent events she attended, including the Yosemite Environmental Law Conference, Clean Technology Conference at Sacramento State University, and an RPS conference in Southern California.

Chair Weisenmiller reported on energy-related events at the Brookings Institution the Hoover Institute.

20. Chief Counsel's Report: None.

21. Executive Director's Report. Executive Director Robert Oglesby gave the report.

22. Public Adviser's Report. None.

23. Public Comment: None.

Appearances:

Ms. Lisa Cottle, Winston & Strawn LLP for Blythe Energy, LLC

Mr. James B. Mackey, NextEra Energy Resources

Mr. Jeffrey D. Harris, Ellison Schneider & Harris, Attorneys at Law

Mr. Fred Strauss, High Desert Power Project

Mr. Ross Gould, Sacramento Municipal Utility District

Ms. Maria De Lourdes Jimenez-Price, Sacramento Municipal Utility District

Mr. Bob Zapotosky, Solaria Corporation

Mr. Terry Carlone, Synergex Ventures

Mr. Mickey Oros, Alteryx Systems

Mr. Brian Pierce, Energy Pros

Mr. Ray Walp, California Green Team, Inc.

Ms. Jane Luckhardt, Solar Point

Mr. Justin Malan, Ecoconsult, for DWGA

Mr. Eugene Buchanan, Gridnot

Mr. Larry Sherwood, SWCC

Mr. David Raine, Dyocore Inc.

Mr. Lloyd Yoder, Lloyd's Electric

Mr. Brent Summerville, SWCC

Mr. William Hampton

Mr. David Hacker, Double H Wind Power

There being no further business, the meeting was adjourned.

Respectfully submitted,

HARRIET KALLEMEYN
Secretary to the Commission